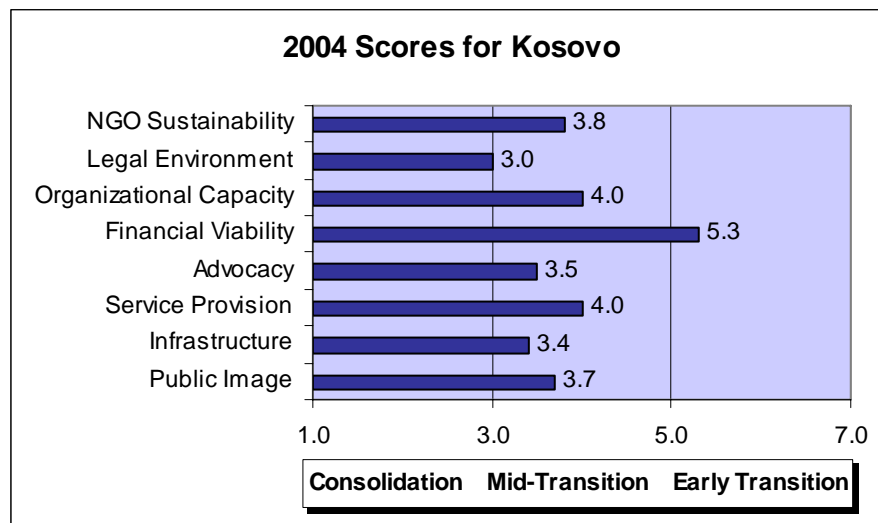


## KOSOVO



**Capital:** Pristina

**Polity:** International protectorate

**Population:**  
2,200,000

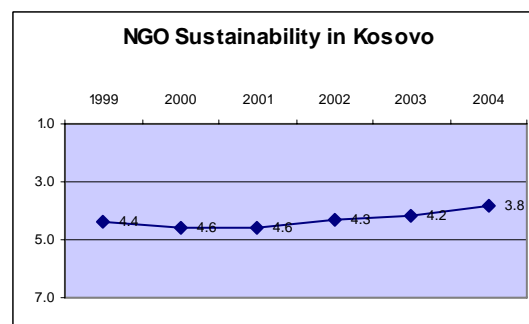
**GDP per capita**  
(PPP): \$2,200

### NGO SUSTAINABILITY: 3.8

In 2004, the United Nations Interim Administration Mission in Kosovo (UNMIK) entered its fifth year, and tensions with Kosovo's elected Provisional Institutions of Self-Government (PISG) were high. Sources of frustration included the lack of progress over final status, and the lack of indication over how much longer UNMIK's mandate would last. Unemployment in Kosovo remains very high, and the economy was challenged by reduced foreign assistance and the lack of strategy for generating investments.

There were many significant events over the past year, including serious delays in the privatization process, and a joint effort between UNMIK and PISG to develop the Kosovo Standards Implementation Plan. The tragic events of March 17-18, 2004 were important, as they exposed the complexity and fragility of the inter-ethnic relations between Albanians and Serbs, as well as the growing disconnect between the

international community and Kosovar population. In addition, Parliamentary elections were held in October.



The NGO sector was very active this year. There were between 2000 and 2500 registered NGOs in Kosovo, an estimated 200 to 250 of which were active. A number of NGOs built successful issue-based coalitions that carried out successful campaigns. The Reforma 2004, VOTE coalition, and FORUMI 2015 brought together the most influential think tanks with community, human rights, women and

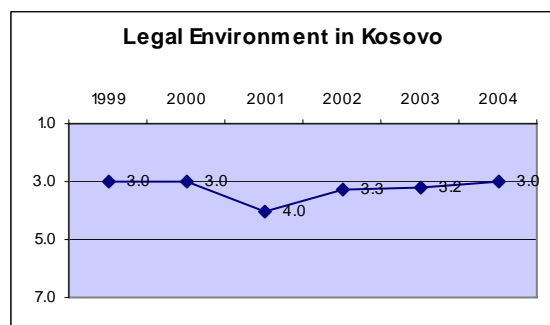
minority organizations to advocate on issues such as electoral law reform, get out the vote campaigns, and the missing persons of Kosovo. These activities received excellent media coverage and were widely supported by large constituencies. The Kosova Action Network (KAN) collected more than 200,000 signatures to petition UNMIK to increase efforts to bring back the bodies of Kosovars killed during the war and buried in mass graves in Serbia.

Kosovo does have approximately two hundred registered Serbian NGOs, the

majority of which are active. Serbian NGOs in general do not enjoy the same capacity levels as the Albanian NGOs, and are predominately donor driven. These active Serbian NGOs are open to cooperating with Albanian NGOs, and there are several well established multi-ethnic collaborative efforts, especially between NGOs that focus on women and youth issues. In addition, many of the prominent think tanks in Kosovo have hired Serb staff and consultants.

### LEGAL ENVIRONMENT: 3.0

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The legal environment for NGOs is quite favorable, featuring a progressive law on registration. The increased efficiency of the NGO Registration Office in the Ministry of Public Service permits NGOs to register in much less time in the previous years. The law permits NGOs to engage in a wide range of activities and protects organizations from unwanted state control. NGOs have been active on many controversial issues, such as negotiations with Belgrade, and have criticized government and political leaders in response to the March 17 - 18 events, as well as the work of the central and local assemblies. Despite the nature of these activities, there have not been any reports of retribution or harassment from the government officials or tax authorities.

The civil sector does not have a great wealth of NGO law experts. The Kosovo Institute for Not-for-Profit Law (IKDO) is the only organization that provides NGOs with legal assistance and training on NGO legal issues. The lawyer who heads the organization is the only expert trained in not-for-profit law. Fortunately, NGOs do not encounter many legal barriers in their work, keeping the demand for expertise in NGO law to a minimum.

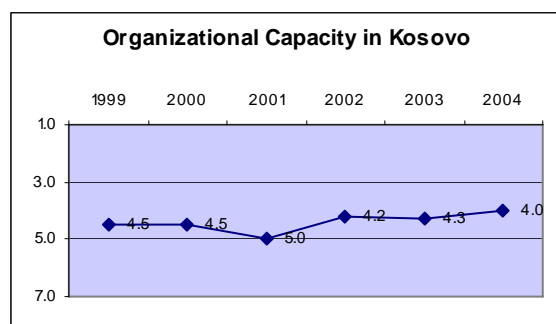
NGOs receive tax exemptions, although there are some concerns about the efficiency of tax refund procedures. Grants and membership fees are not specifically exempt from taxation; however, if such income received by organizations without public benefit status exceeds allowable expenses, it is considered "taxable profit." Individuals are not allowed a deduction for donations, although businesses are allowed to take a deduction of up to 5% of their taxable income. Many organizations are dissatisfied with the way that the laws define beneficiaries. The law does permit NGOs to earn income from the provision of goods

and services, as long as they do not engage in economic activities with any regularity. The income from these activities is exempt if the activities are related to the organization's primary purpose. NGOs are also permitted to compete for government grants. In 2004, UNMIK adopted a

regulation to deter money laundering, and although it has not been implemented yet, many NGOs are concerned about the impact that it may have on their operations.

### ORGANIZATIONAL CAPACITY: 4.0

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This year, NGOs have been much more successful in building constituencies for their initiatives. The coalition REFORMA 2004, the VOTE coalition, KAN, and the network of Council for Defense of Human Rights and Freedoms (CDHRF) have engaged more than 5000 volunteers in their activities. Key Kosovar NGOs have also started the process of better defining their mission statements and incorporating strategic planning. The process is in its early stages and is still very much prompted by international donors. The majority of NGOs registered in Kosovo is small and still

without defined missions, lack clear strategic plans, and can be considered "briefcase NGOs."

A core group of NGOs, both in Pristina and in the regions, has developed internal management structures. As donor funding becomes increasingly scarce, more NGOs will realize the importance of clearly defining organizational structures. Generally, NGOs clearly delineate the responsibilities between their boards and staff members. However, most organizations do not have rules or statutes that clarify the role and responsibilities of their boards. In most cases, boards are weak and lack the power to affect or change the work of their NGOs. Organizations have permanent, well paid staff, and this year especially, NGOs have been successful in recruiting large numbers of volunteers for their campaigns. Organizations have modernized their basic equipment and in Pristina with all NGOs being connected to the internet.

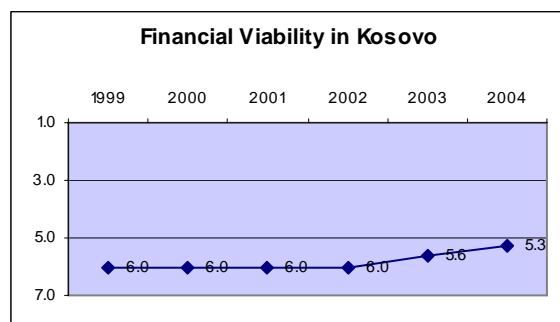
### FINANCIAL VIABILITY: 5.3

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The Financial Viability dimension has improved over the past year, despite some lingering issues. Some NGOs have started raising funds from local sources, but the amounts are insignificant, and few see local

funding as a source of financial viability in the near future. Some local governments and small businesses provide public office space or other support to service delivery NGOs. One example is a private transport

company that supports women's organizations by providing free bus transportation for women in rural areas. Other local NGOs receive non-monetary support from local private media outlets in the form of free airtime.



Spurred in part by the decrease in international funding, NGOs have begun to diversify their funding sources and most are sustainable at least in the short-term. Financial management, however, remains weak and only a core group of NGOs publicizes its financial statements and annual reports. Many NGOs are expressing a greater interest in increasing financial transparency, realizing its importance to the donor community. A small number of organizations have even recruited international interns to assist them with newsletters and annual reports. The Advocacy Training and Resource Center (ATRC) has adopted transparent financial management systems and has raised funds

from a variety of donors. The Foundation for Democratic Initiatives (FDI) is a local grant making organization that has developed fundraising strategies that target the Albanian Diaspora and international organizations. The Kosovo Women's Network frequently holds fundraising events to support specific projects; not only raising funds, but also increasing awareness of issues. One of their efforts in 2004 included supporting Serbian and Albanian families that suffered in the March 2004 violence. With greater frequency, local philanthropy is supporting community needs as identified by NGOs.

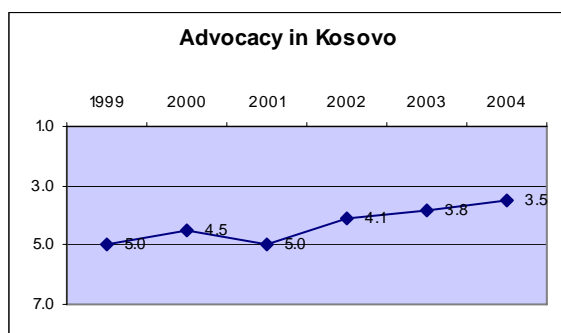
NGOs have started competing for government service contracts with some success. The Community Development Fund (CDF) was contracted by the Kosovo government to reconstruct more than one hundred houses after March 17, and has already assessed the property for the government. HandiKos, a local organization dealing with disability issues, was successful in raising funds and support from local governments and businesses to finance operations of its rehabilitation centers in the field. While HandiKos has had success in diversifying its funding, nonetheless, most of its funding continues to be provided by the Finnish Government.

### **ADVOCACY<sup>11</sup>: 3.5**

In general, municipal and national governments have been very open to NGOs. In some communities, organizations continue to work with municipal government officials to develop written procedures and regulations for public participation. Local Assemblies easily passed these laws, which were written

collaboratively between local government and NGOs. Though NGOs are more successful in cooperating with municipal governments, there are examples of collaboration on the national level. Unfortunately, successful collaborations at the national level are limited to issues like the environment, education, health, gender,

and procurement<sup>12</sup> where UNMIK's authority and interests are not impeded. The Kosovar Women's Network ensured public participation in writing the Gender Law, and facilitated direct public input on the Kosovar Assembly Gender Equality Committee. HandiKos has worked closely with the government to ensure that the new Kosovar Construction Law meets human rights standards that guarantee access to public buildings by persons with disabilities.



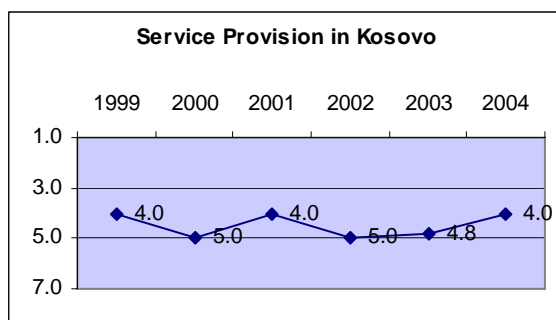
This year, many strong issue-based coalitions were successful in getting the public's attention. The Reforma 2004 coalition included more than 200 NGOs that

campaigned to change the Electoral Law. The campaign did not end in law reform due to the unwillingness of the OSCE and UNMIK. However, the campaign was valuable in that it brought together groups that traditionally have not worked together, such as women's NGOs, political think tanks, and business associations, and educated the public about different electoral systems. In another coalition effort, the GOTV campaign mobilized over 2,700 volunteers for door-to-door canvassing, and involved 30 municipal volunteer coordinators and the staff from over 70 Kosovar NGOs. This tremendous effort increased voter turnout, reversing a dramatic slide in voting rates. At the local level, NGOs have built strong relationships with municipal governments. One example is FerNet, a network of NGOs in Ferizaj that played a crucial role in monitoring the Municipal Assembly and its process of nominating a new mayor following the 2004 elections.

<sup>11</sup> Kosovo is an international protectorate. There are two layers of government: UNMIK and PISG. UNMIK still retains the bulk of competencies of governance, but the NGO sector, in its advocacy efforts deals with both. In the last five years of UNMIK administration, the NGO sector has had major difficulties in influencing UNMIK decisions. For the purpose of this exercise this section of the report will define PISG as local and federal government.

<sup>12</sup> In the case of the laws on Anti-corruption and Freedom of Information, UNMIK used its authority to exclude itself from being the subject of these laws at the last moment before promulgation.

## SERVICE PROVISION: 4.0



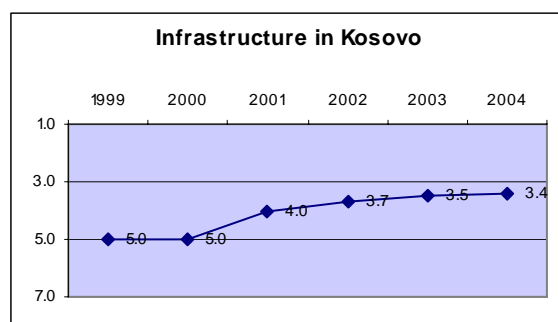
NGOs are increasingly providing services that reflect the needs of their constituents and communities. One example is HandiKos, the only provider of specialized medical services and materials for paraplegics and other disabled citizens. In Gjakova, a town in Western Kosovo, the municipal government has contracted with HandiKos to provide services for the

disabled within the community. Other local governments also support NGOs providing services to their citizens. The local governments of Gjilan and Peja have supported women's organizations addressing domestic violence issues by providing public space to open shelters. Such support is an indication that NGO services are held in high regard by government officials.

NGOs provide a wide range of goods and services. A large number of organizations work on rural literacy, health, education, housing, internet technology, and more. The Kosovo government contracted NGOs to oversee the re-building of one-third of the 900 houses damaged in violence this past

March. The Ministry of Environment and Spatial Planning contracted the CDF to assess the value of the property belonging to those families in the village of Hade, who were displaced by a landslide. The Ministry trusted CDF with the sensitive task of assessing the proper compensation for the loss of property, demonstrating a great success for the sector. In addition, several think tanks and business development organizations have developed projects and services that are offered to government agencies or international organizations for a fee. Despite these successes, NGOs have not improved their ability to recover their costs. Sustainability of these service projects is still very much dependent on donor funding.

### INFRASTRUCTURE: 3.4



The Infrastructure dimension has made a slight improvement over the past year. Many of the NGO support services and training facilities created by USAID and OSCE programs are still operating, although OSCE support ended two years ago. The ARTC has been able to recover some of its operating costs by charging fees for services provided to other NGOs. There are five local grant-making foundations, one of which is located outside of Pristina. Almost all of the grants offered are funded by international donors, although the projects funded are chosen based on the needs of the

local communities, not foreign donor priorities.

Overall, information-sharing among NGOs is improving, although there are no formal mechanisms to ensure it will continue. Instead, NGOs share information on a case by case basis when they think there is a need for it. No single NGO represents the interests of the entire NGO sector, although ad hoc coalitions address particular issues and sub-sectoral needs. NGOs have easy access to management and specialized training services in Pristina and secondary cities, and over the past three years, a pool of local trainers was created through a USAID-funded NGOs support program. Government institutions often recognize the expertise of these trainers, and hire them to provide training to civil servants.

Cross-sectoral partnerships have gotten stronger over the past year. One example is a partnership between business/professional associations and economic think tanks that lobbied the Assembly to change the law



establishing a Chamber of Commerce, so that businesses had the option of registering with the Chamber instead of being required to do so. NGOs are also building strong

partnerships with the media, and with the Kosovo Police Service (KPS) community units that cooperate with community groups and NGOs on domestic violence issues.

### **PUBLIC IMAGE: 3.7**

Media coverage has improved considerably over the past year. One example is RTV21, a private station with national coverage that has given significant airtime to NGO activities. In general, local media outlets provide better coverage of NGO activities than nation-wide media.

Over the past year, public perception of NGOs improved significantly for the entire sector. A survey commissioned by USAID Kosovo reported that 4% of all respondents claimed to be directly involved in NGO activities. 73% of all respondents believe that NGO activities influence government actions at the municipal level, and 31% believe that NGO activities influence government actions at the national level. One reason for the improvement is that the NGO sector has been involved in many high profile activities over the past year, including the election reform campaign, Get Out the Vote Campaign, and its reaction to

the March 2004 events. Even before the elections, many political parties were active in recruiting NGO representatives, offering them important positions in their Parties. The Prime Minister's office hired NGO leaders to troubleshoot its management systems.

NGOs could always do better in promoting their activities. Some organizations neglect the importance of keeping the media informed of their successes and accomplishments and therefore, often go unnoticed by the general public.

